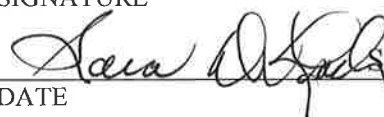




DELBERT HOSEMAN  
*Secretary of State*

## ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. An Economic Impact Statement must be attached to this Form and address the factors below. A PDF document containing this executed Form and the Economic Impact Statement must be filed with any proposed rule, if required by the aforementioned statute.

AGENCY NAME Personal Service Contract Review Board	CONTACT PERSON Brittany Martin	TELEPHONE NUMBER 601-359-1406
ADDRESS 210 E. Capitol Street, Suite 800	CITY Jackson	STATE Mississippi
EMAIL mspb.communications@mspb.ms.gov	ZIP 39201	
DESCRIPTIVE TITLE OF PROPOSED RULE Personal Service Contract Review Board Rules and Regulations; Title 27, Part 100		
Specific Legal Authority Authorizing the promulgation of Rule: Miss. Code Ann. §§ 25-9-120, 25-1-100, 25-61-9, and 25-43-3.103; House Bill 825 (2015 Regular Session)	Reference to Rules repealed, amended or suspended by the Proposed Rule: 1-101; 1-102; 1-103; 1-201; 1-301; 2-101; 2-102; 2-103; 2-104; 3-101; 3-102; 3-103; 3-201; 3-202; 3-203; 3-204; 3-205; 3-206; 3-207; 3-208; 3-301; 3-401; 3-402; 3-403; 3-501; 3-502; 3-503; 3-601; 3-602; 3-701; 3-702; 4-101; 5-101; 5-203; 5-204; 5-205; 6-101; 6-204; 6-205; 6-211; 7-102; 7-103; 7-104; 7-105; 7-106; 7-107; 7-108; 7-109; 7-110; 7-111; 7-112; 7-115; and Appendices B, C, D, E, F, and G.	
SIGNATURE  Sara DeLoach	TITLE Special Assistant Attorney General	
DATE January 19, 2016	PROPOSED EFFECTIVE DATE OF RULE March 18, 2016	

### 1. Describe the need for the proposed action:

The Personal Service Contract Review Board Rules and Regulations must be revised to comply with Sections 25-9-120, 25-1-100, and 25-61-9 of the Mississippi Code Annotated, amended by House Bill 825, which was passed during the 2015 Regular Session and approved by the Governor on March 31, 2015. These proposed rules also promote consistency between PSCRB Rules and Regulations and new laws governing emergency contracts for commodities. Proposed rules were added to mirror the provisions of Senate Bill 2400 (2015 Regular Session), which places restrictions on the use of emergency commodity and repair contracts. Revisions are also proposed to provide clarity to existing rules and regulations and to increase efficiency.

**2. Describe the benefits which will likely accrue as the result of the proposed action:**

The adoption of the proposed PSCRB Rules and Regulations is expected to increase competition in procuring personal and professional services, tighten controls, and bring more transparency to the procurement process. Competitive bidding promotes public confidence in the contracting process and ensures that the best interests of the State are served. As stated in a recent PEER Committee report, “best practices for public contracting promote fair and open competition.” It is anticipated that competitive bidding practices will result in cost savings. For example, in 2015, a contract which was not initially competitively procured by the Mississippi Department of Corrections was originally awarded at \$20,000,000.00. After competitive procurement was required, a contract was awarded to the same vendor at \$19,156,755.72, saving the State \$843,244.28. Additionally, the statewide goal of increasing government transparency to better assure the public that State funds are being properly utilized and administered is supported by the increase in the number of contracts which require publication, competitive bidding, and compliance with the Mississippi Public Records Act.

**3. Describe the effect the proposed action will have on the public health, safety, and welfare:**

The adoption of the proposed PSCRB Rules and Regulations will not directly impact the public health, safety, and welfare; however, it is anticipated that increased competition for services related to these areas will yield lower pricing and savings to taxpayers. The cost savings generated through such competition should allow agencies to maximize the funds available for services. The additional transparency supported by the increase in the number of contracts which require publication, competitive bidding, and compliance with the Mississippi Public Records Act may also provide taxpayers information that was previously unavailable.

**4. Estimate the cost to the agency and to any other State or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on State or local revenues:**

Implementing and enforcing the proposed PSCRB Rules and Regulations will require additional expenditures related to publicizing procurement opportunities; however, the savings realized from more competitive pricing are anticipated to exceed the increase in expenditures. Much of the submission and review process is paperless; however, the PSCRB staff’s workload will increase significantly due to the added volume of contracts reviewed and the additional documentation required to comply with House Bill 825 (2015 Regular Session). While adoption of the proposed PSCRB Rules and Regulations may not increase revenue to the State, it may result in cost savings to agencies, boards, commissions, and, ultimately taxpayers, as a result of lower pricing for services provided. It will be impossible to properly estimate the value of these savings until the proposed rules and regulations have been in effect for a period of time.

**5. Estimate the cost or economic benefit to all persons directly affected by the proposed action:**

PSCRB does not anticipate an increase in costs associated with adopting the proposed PSCRB Rules and Regulations. The providers of personal and professional services will have an increased opportunity to compete for the ability to provide services due to the requirement that agencies must competitively procure services involving the expenditure of funds in excess of \$75,000 and due to the increased transparency of the procurement process. Additionally, State government as a whole may realize economic benefits due to more competitive pricing for personal and professional services. Because no agencies were appropriated funds or positions to assist in fulfilling the mandates of House Bill 825, the processing of additional contracts will be performed by existing staff utilizing funds already appropriated. The proposed revisions allow agencies to address their individual needs while still promoting the best overall interests of the State. With a greater array of contracts being bid competitively, access to contracting with State agencies will be available to a wider scope of providers.

**6. Provide an analysis of the impact of the proposed rule on small business:**

Small businesses that provide personal and professional services will have increased opportunities to compete for the ability to provide services due to the requirement that agencies competitively procure services and due to the increased transparency of the procurement process for those contracts under the purview of PSCRB.

**a. Identify and estimate the number of small businesses subject to the proposed regulation:**

All small businesses who wish to contract with the State of Mississippi to provide personal and professional services to agencies under the purview of PSCRB will be subject to the PSCRB Rules and Regulations regarding submission of competitive bids, including responses to Invitations for Bids, Requests for Proposals, and Requests for Qualifications.

**b. Provide the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record:**

Projected reporting and recordkeeping are accommodated through current automated accounting systems used by State agencies. Professional skills needed in preparing the reports include knowledge of State government procurement regulations, knowledge of applicable provisions of State contracts, and knowledge of the State accounting systems used in reporting and recordkeeping. Small businesses will engage in this process voluntarily and will likely incorporate any additional costs into the price of the service provided. Because small businesses vary widely, it is not possible to identify administrative costs they may incur. The providers may incur additional costs in complying with the requirements for responding to Invitations for Bids, Requests for Proposals, or Requests for Qualifications.

**c. State the probable effect on impacted small businesses:**

The proposed revisions will allow small businesses to more actively engage in State government through the increase in competitively bid contracts for personal and professional services involving the expenditure of funds in excess of \$75,000. Small businesses may experience an increase in revenue from the opportunity to compete for personal and professional services contracts with the State of Mississippi.

**d. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation including the following regulatory flexibility analysis:**

**i. The establishment of less stringent compliance or reporting requirements for small businesses;**

House Bill 825 (2015 Regular Session) has very specific reporting requirements; therefore, alternative methods were not considered.

**ii. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;**

House Bill 825 (2015 Regular Session) has very specific requirements regarding schedules and deadlines; therefore, alternative methods were not considered.

**iii. The consolidation or simplification of compliance or reporting requirements for small businesses;**

House Bill 825 (2015 Regular Session) has very specific reporting requirements; therefore, alternative methods were not considered.

**iv. The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation;**

Not applicable.

**v. The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations:**

House Bill 825 (2015 Regular Session) specifically identifies exemptions; therefore, alternative methods were not considered.

**7. Compare the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the proposed rule or significantly amending an existing rule:**

PSCRB does not anticipate a change in the costs associated with adoption of the proposed PSCRB Rules and Regulations. The benefits of adopting the proposed rule include compliance with State law, increased competition in procuring personal and professional services, tightened controls, and greater transparency in the procurement process.

- 8. Determine whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule where reasonable alternative methods exist which are not precluded by law:**

Alternative methods are precluded by law and therefore were not considered.

- 9. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency:**

Alternative methods are precluded by law and therefore were not considered.

- 10. State reasons for rejecting alternative methods that were described in #9 above:**

Alternative methods are precluded by law and therefore were not considered.

- 11. Provide a detailed statement of the data and methodology used in making estimates required by this subsection:**

Not applicable.